



## MARYLAND HEALTH CARE COMMISSION

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### HEALTH CARE SPENDING INCREASED TO \$26.5 BILLION IN 2003

BALTIMORE, MD (January 27, 2005) – *State Health Care Expenditures: Experience from 2003*, an annual report that contains information on total health care expenditures for Maryland residents by public and private sources during calendar year 2003, was released today by Maryland Health Care Commission (MHCC) chairman Stephen J. Salomon. Mandated by health care reform legislation passed in 1993, this is MHCC's tenth analysis of health care spending in Maryland.

Major findings include:

- Total health care spending for Maryland residents increased more than eight percent to \$26.5 billion in 2003, up from \$24.5 billion in 2002.
- Home health care (20 percent), physician services (nine percent), prescription drugs (nine percent), and hospital outpatient services (eight percent) had the highest increases in spending.
- Medicare (20 percent) and Medicaid (17 percent) account for 37 percent of total health care spending, compared to 39 percent paid by private insurance arrangements – including commercial insurance, health maintenance organizations (HMOs) and self-insured employer health plans.
- Consumer spending out-of-pocket (including coinsurance, co-payments, deductibles, and full direct payments), increased eight percent in 2003, the same rate of growth as in private insurance spending.
- Payer administrative expenses and the net cost of insurance increased by about 15 percent in 2003. These results are consistent with national trends that show the gap widening between premiums and medical expenses in 2003.
- Enrollment in HMOs grew five percent in 2003, with virtually all of the increase occurring among privately insured Marylanders. This increase reverses a 25-percent decline in HMO enrollment over the past five years.

For questions regarding the report, please contact Mr. Ben Steffen, Deputy Director for Data Systems & Analysis at 410-764-3570 or [bsteffen@mhcc.state.md.us](mailto:bsteffen@mhcc.state.md.us)

**The complete report is available on the MHCC web site under <http://www.mhcc.state.md.us>  
Please call 410-764-3570 for a hard copy.**